



CHELVERTON
ASSET MANAGEMENT

ORDER EXECUTION POLICY

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1. INTRODUCTION & OBLIGATIONS UNDER MIFID

This document sets out the execution policy and approach to providing best execution for Chelverton Asset Management Limited (CAM), as required by the Markets in Financial Instruments Directive 2014/65/EU ("MiFID").

MiFID requires CAM to take all sufficient steps to obtain, when executing orders, the best possible result for our clients, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. This applies whether we are executing orders on behalf of clients or placing orders with, or passing orders to, others for execution.

The obligation to obtain the best possible result for clients is referred to as our obligation of Best Execution.

2. SCOPE

This policy applies only to clients classified as Professional Clients and only to dealings in Financial Instruments (each as defined in MiFID). A list of financial instruments is attached in Appendix I as applicable to CAM.

3. EXCLUSIONS TO THE BEST EXECUTION POLICY / SPECIFIC INSTRUCTIONS

CAM does not receive specific instructions from Clients.

If that were to change in the future and CAM was given a specific instruction with regards to the execution of an order, CAM will execute the order in accordance with:

- a) The instruction given;
- b) Consideration for the type of instrument being traded; and
- c) having due regard for the execution venue.

On such occasions, executing the client's instructions satisfies CAM's obligation to take sufficient steps to obtain the best possible result for the execution of the client order.

Specific instructions may sometimes prevent CAM from taking the steps set out in this policy to obtain the best possible result for the execution of the client's order in respect of the elements covered by those instructions. As a result one factor may invariably take precedence over the other in order for us to obtain the best possible result for the execution of the order.

4. HOW WILL ORDERS BE EXECUTED FOR THE CLIENT?

Investment Professionals work from three separate offices – London, Bath and Edinburgh. It is CAM's intention that all trades from London or Bath are conducted from CAM's London office. However, in the event that a Client's best interests are served by trades being undertaken from the Bath office, trades may occasionally be conducted from that office.

Trades from Edinburgh will be conducted from Edinburgh. It is not possible that trades undertaken from Edinburgh will be in the same securities as those from London or Bath.

Despite best efforts, CAM recognises that in the unlikely event that trades in the same securities are undertaken within 24 hours, there may be a discrepancy in price for separate Clients. If this were to occur, CAM will ensure that the reason for this discrepancy in price is recorded. CAM anticipates that the most likely reason for two transactions in the same security

being undertaken for different Clients within 24 hours is that one Client did not have the liquidity to make the investment at the time CAM made the investment decision to trade.

CAM complies with its Trade Allocation Policy when there is a limited supply of stock to allocate among Clients.

5. BEST EXECUTION OBLIGATION AND RELEVANT FACTORS

When executing orders, CAM will take all sufficient steps to achieve Best Execution.

Through its trading process, CAM will take all sufficient steps to obtain the best possible result in the execution of client orders, taking account of all relevant execution factors. When executing a trade in any of the financial instruments listed in Appendix I, the following factors must be accounted for in any best execution determination include:

- Likelihood of execution and settlement.
- Size and nature of the order.
- Price, which may include explicit transaction costs, bid-asked spread or net price.
- Implicit transaction costs or market impact.
- Potential speed of execution.
- Price momentum before and during order execution.
- Broker's willingness to share information and commit capital.
- Confidentiality provided by the broker.
- Any other considerations relevant to the execution of the order.

The relative importance of these factors may change depending on the specific order at hand. CAM has established a process that considers these factors in light of:

- Information about market conditions
- nature of the financial product (CAM only deals in equities)
- characteristics of the client (CAM clients, on whose behalf it deals are OEICS and Investment Trust)
- characteristics of the potential execution venues (CAM only trade through brokers)

Each of these factors will play a part in determining the priority of the execution factors for any specific order. While price will often have a priority ranking, the ultimate transaction price is a function of the priority given to the other factors.

CAM investment process seeks that the primary factors for best execution in majority of trades are price, liquidity and settlement. In respect of trades in small and medium sized UK Equities, it is often the case that liquidity is a crucial factor. This is demonstrated by the fact that often CAM trades with house brokers for a given stock or when there is a communication of liquidity from a given Broker. CAM professionals have built up many years of experience in knowing which broker to go to in search of liquidity of harder to place stock. For easier to place stock, CAM use a street facing broker and pays a lower commission rate. CAM also uses a specific broker, which specialises in sourcing liquidity via MTFs. CAM pays a lower commission rate for this broker also.

The reason why CAM has decided to trade with a specific broker is recorded on the Deal Sheet and forms a part of CAM's semi-annual broker reviews.

6. ADVERSE MARKET CONDITIONS

During adverse market conditions CAM will not always be able to deliver best execution in accordance to the specified execution factors. CAM will endeavour to deliver the best possible result.

7. EXECUTION VENUES

This Execution Policy includes, for each class of Financial Instrument in which CAM executes orders on clients' behalf and information on the different venues where CAM executes orders. These venues are listed in the Appendix II. It should be noted that CAM executes equity trades only. Where CAM owes a client a best execution obligation, we will execute orders using a variety of different types of execution venue as listed in Appendix II.

Client orders may be executed through the following different types of venues available to CAM:

1. Investment firms offering broking facilities
2. Markets having regulated market status under MiFID
3. Trading platforms having multilateral trading facility ("MTF") status under MiFID
4. Other OTC sources of liquidity

CAM only executes trade via brokers, and on regulated markets.

8. FACTORS AFFECTING THE CHOICE OF EXECUTION VENUES

CAM includes venues in the policy that it believes will enable it to obtain, on a consistent basis, the best possible result when we execute orders on behalf of clients. The nature of the product or instrument that is to be traded, as part of a client order, will determine the specific venue that CAM may use to execute the order. For specific products CAM may have access to only one type of venue or only a single venue.

9. SELECTION, MONITORING AND APPROVAL PROCESS FOR EXECUTION VENUES

When executing trades for clients, each trader has a duty to select brokers that will assist CAM in achieving optimal execution for its clients and complying with applicable rules and regulations. Within these constraints, traders have discretion on each specific order to choose an appropriate broker that is approved by CAM and that will, in the trader's judgment, provide best execution for client transactions. The best possible result for a particular transaction will be determined by the relative importance given to the execution factors, which in turn help determine the choice of broker for the specific order.

CAM will typically pass an order to a broker for execution. In such cases, CAM will only consider approved and vetted brokers that have undertaken to comply with the best execution duties set out under the current MiFID II requirements.

In order to assess the merits of each Broker and monitor each Broker's on-going capabilities, CAM conducts semi-annual Broker Review. This review reflects CAM's view of the past and current service provided by each Broker, in respect of 'factors related to best execution', above.

CAM also sets tolerances that it expects trades to execute within in terms of price and volume achieved. CAM also reviews suspicious transactions against benchmarks. Trades which fall outwith those tolerances are reviewed by compliance and the traders. Tolerances are reviewed on a regular basis.

The result of this review is a list of approved Brokers that CAM believes will enable it to obtain on a consistent basis, the best possible result when executing orders on behalf of clients. This review provides the foundation for a comprehensive discussion with each Broker about its services.

Transparency in the review process is the key to success in dealing with Brokers. Semi-annual assessments and annual discussions with CAM's approved brokers to discuss the evaluation is considered the best way to manage those relationships and continued high level of service.

CAM believes that establishing and maintaining a wide range of solid brokerage relationships is an essential part of the process of achieving best execution. This provides CAM access to information and knowledge of natural liquidity that would not be available without that ongoing contact or relationship.

CAM execute all trades through selected FCA regulated Brokers. The list of all Brokers used can be found in Appendix III.

10. EXECUTING ORDERS OUTSIDE A TRADING VENUE / BROKER DIRECTION

CAM does not directly use OTC sources of liquidity or MTFs. Brokers trade as per their own Order Execution Policy. Should this change in the future, by using OTC sources of liquidity CAM will be executing client orders outside a regulated market or MTF.

In the unlikely event that CAM receives requests from clients to execute all or a portion of their securities transactions with one or more specified broker. Where CAM agrees to undertake this practice for a client, this may detract from CAM's ability to negotiate commissions, achieve the best price, provide best execution, aggregate similar orders with those of other clients or ensure similar performance within an investment style.

11. RESEARCH

CAM pays for research on its own account. CAM does not accept research, which does not qualify as a non-monetary benefit under MIFID II from any Broker unless that research is both paid for and agreed to between the broker and CAM. CAM monitors the quality of research in its semi-annual broker review.

12. MONITORING AND REVIEW

CAM will monitor the effectiveness of its execution arrangements and execution policy so as to identify and where appropriate, incorporate any amendments to the current procedures. CAM will assess, on a regular basis, whether the execution venues included in the Execution Policy provide the best possible result for clients or whether it should make changes to its execution arrangements.

The execution arrangements and Policy will be reviewed at least annually or whenever a material change occurs that may affect the ability of CAM to continue to obtain the best possible result for the execution of client orders on a consistent basis using the venues included in its order execution policy. The annual review will consider any venues that are not included within this policy and whether their exclusion affects CAM's ability to meet best execution requirements.

Please note that the Top 5 execution venues are published on the Chelverton website on an annual basis.

13. NOTIFICATIONS TO CLIENT / MATERIAL CHANGES

We will notify clients of any material changes to this policy or our best execution arrangements. A change will be material where its disclosure is necessary to enable you to make a properly informed decision about whether to continue utilising our services.

Minor changes may be made to the execution venues, such as the inclusion of additional Brokers without notification. Where the Broker or venue change is significant but not material, an amended policy may be posted to the website without any separate notification to clients.

14. CLIENT ACCEPTANCE / ACKNOWLEDGEMENT

This policy is available on the CAM website and client acceptance and acknowledgement of the policy is expressed by continuing to engage in a business relationship with CAM.

JULY 2020

APPENDIX 1

FINANCIAL INSTRUMENTS

1. Transferable securities.
2. Money-market instruments.
3. Units in collective investment undertakings.
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.
5. Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event.
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled.
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments.
8. Derivative instruments for the transfer of credit risk.
9. Financial contracts for differences.
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF.
11. Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

APPENDIX II

EXECUTION VENUES

Client orders may be executed through the following different types of venues available to CAM:

- a. Markets having regulated market status under MiFID
- b. Trading platforms having multilateral trading facility (“MTF”) status under MiFID;
- c. Investment firms offering broking facilities; and
- d. Other OTC sources of liquidity such as:
 - i. order crossing networks and electronic trading platforms not having regulated market or MTF status under MiFID; and
 - ii. other broker dealers and market makers.

By using OTC sources of liquidity CAM will be executing client orders outside a regulated market or MTF. Clients may choose not to allow CAM access OTC sources of liquidity, though this may restrict our ability to execute orders in certain types of instrument or product and/or to obtain the best possible result when executing such orders.

CAM choose to trade solely through investment firms offering broking facilities.

APPENDIX III

LIST OF CAM BROKERS

UK focused funds

- Numis Securities Limited
- Investec Securities
- Arden Partners
- Liberum Capital Ltd
- Peel Hunt Limited
- Shore Capital Stockbrokers Limited
- Barclays Capital Securities Ltd
- Jefferies International
- FinnCap
- Panmure Gordon (UK) Ltd
- Canaccord Genuity
- Stifel Nicolaus Europe Ltd
- Whitman Howard
- N+1 Singer Capital Markets
- Winterflood
- EFG Harris Allday
- Zeus Capital, Cenkos Securities Ltd
- WH Ireland Limited
- Cantor Fitzgerald
- Hybridan LLP
- Allenby Capital
- Berenberg , Gossler & Co. KG
- Tourmaline Partners, LLC
- SP Angel LLP
- Liquidnet
- Goodbody (Ireland based, but trades UK equities)

EU (ex-UK) focused funds

- Handelsbank Capital Markets
- ING Wholesale Banking
- Equita SIM Spa
- Tourmaline Partners, LLC

- Barclays Capital Securities Ltd
- Northern Trust Securities LLP
- Berenberg , Gossler & Co. KG
- Redburn Ltd